

Department of Health Services
Budget Issues - Highlights ONLY
 Governor and Legislative Budget - FY 2005 and FY 2006 (prepared 1-21-05)

FY 2005 (Base Budget Increases ONLY)

	<u>Governor Recommendation</u>	<u>Legislative Recommendation</u>
<u>General Fund</u>		
BHS Title XIX Supplemental	23,015,400	21,546,000
<u>Other Funds (Appropriated ONLY - No Title XVIII or Title XIX)</u>		
BHS Title XIX Supplemental	710,500	0
State Hospital Supplemental	1,281,400	0
Total	1,991,900	0

FY 2006 (Base Budget Increases ONLY)

	<u>Governor Recommendation</u>	<u>Legislative Recommendation</u>
<u>General Fund</u>		
Child Care Licensing	521,500	0
Licensure Staffing - New Surveyors	394,300	0
State Laboratory Utility Costs	229,200	0
Poison Control Revenue Shortfall	220,000	0
CRS Title XIX State Match Requirement	1,794,500	3,852,200
Children's Rehabilitative Services - State Only	879,000	0
Folic Acid Distribution - Replace Prop 204	800,000	0
Breast and Cervical Cancer - Growth Demand	203,000	0
Behavioral Health Services - Title XIX State Match	62,527,300	56,253,100
Shift Tobacco Funding to the General Fund	46,809,500	0
State Hospital Equipment - Medical	50,500	0
Total	114,428,800	60,105,300
<u>Other Funds (Appropriated ONLY - No Title XVIII or Title XIX)</u>		
Poison Control Revenue Shortfall	(220,000)	(450,000)
Behavioral Health Services - Title XIX State Match	8,896,200	0
Shift Tobacco Funding to the General Fund	(46,809,500)	0
Pharmacy/Drug Costs - State Hospital	790,500	0
State Hospital - Annualize FY 2005 Supplemental	2,774,100	0
Total	(34,568,700)	(450,000)

Additional Issues in FY 2006

1. Governor funds expected 2.55% increases in the retirement costs (rate change from 5.2% to 7.75%) and the health insurance costs for BOTH state employees and employer. JLBC reports that the legislative budget recommendation funds increases for the health insurance. For retirement cost increases, ONLY the EMPLOYER share is funded by the legislative budget. The funds are in statewide pools for later distribution to state agencies.
2. Legislative recommendation does not include any additional funding to meet the BHS Arnold v. Sarn court settlement.
3. Poison Control funding consolidated into one Special Line Item and footnotes changed to require DHS to determine distribution of Poison Control funds.
4. Modifies footnote to require CRS and BHS to report to JLBC on the following fiscal year's preliminary capitation rates by March 31 of each year.